

# Business Update

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## File correctly and save

Employers that file their unemployment-insurance taxes correctly help cut down on processing and collection costs and save taxpayer dollars. They also save themselves money by avoiding costly penalties and higher tax rates. Following are things you can do to control your unemployment costs and save your business money.

### Report all required information

You must report complete information, including Social Security numbers and hours worked, for every employee each quarter. If you file an incomplete report more than once, you will have to pay a penalty. (See details below.)

If you do not report hours correctly, you also will be charged if a claimant erroneously receives benefits based on the information you reported incorrectly.

### Use the correct forms

If you use paper forms, use the original forms we send you. These forms are printed with “drop-out” ink that allows us to scan your information directly into our system. Copiers cannot reproduce this ink, so information provided on copied forms must be hand-keyed into the system, which increases processing time and the opportunity for errors.

Employers that use a wrong form also face penalties. Penalties start at \$75, and increase to \$250 for employers that make repeated mistakes (either leaving out information or filing on a wrong form).

### File electronically

You can avoid many mistakes simply by filing your taxes electronically. There are no paper forms to deal with and our free filing software has built-in reminders to help you avoid common mistakes. Electronic filing options are available online at [www.efile.go2ui.com](http://www.efile.go2ui.com).

## New Tax Rules Adopted

In response to new unemployment laws passed by the state legislature in 2007, the department recently adopted many new tax-related rules to define how the new laws will work. At the same time, we reviewed existing tax-related rules to make them more consistent and understandable. Following are highlights of some of the changes.

### General changes

- Formalizes policies that were previously published only in internal manuals.
- Updated to reflect new laws, including lower tax rates for new businesses, unemployment coverage for workers in small theaters and required posters for religious organizations.

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### Tax tip

Be sure that you receive a report confirmation number when you file your taxes electronically and an ePay confirmation when you pay online. You will get a separate number for each transaction.

Your confirmation number will show on the screen after you have submitted your report. If you do not see your confirmation number, click the *File Now* button again.

If you print a copy of your report, it will include your confirmation number in the upper right corner. If it says *Not Confirmed*, we did not receive your report and you need to re-submit your information.

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## Corporate officers

- Clarifies how corporations report officers to the department.
- Outlines when corporate officers are covered for unemployment insurance.

## Business transfers

- Consolidates rules on transfers of businesses into a new chapter, clarifying when a business is a predecessor or a successor in a transfer, and requiring notice of the transfer.
- Defines "SUTA dumping," a tax-evasion scheme that some employers use to pay less unemployment taxes than they should.

## Professional employer organizations (PEOs)

- Outlines registration and reporting requirements for PEOs and their client employers.
- Sets unemployment tax rates for PEOs and their client employers based on their own individualized experience of payroll and claims, beginning January 1, 2008. Most clients will pay the same rate as their PEO for 2008.

The new rules are available online at [www.wac.go2ui.com](http://www.wac.go2ui.com).

## Your tax rate for 2008

We recently mailed tax-rate notices to employers to tell them what their tax rates will be for 2008.

We assign each employer a tax rate based on its experience with unemployment and its employees' total wages. Employers that have experienced few or no layoffs get a lower rate, while employers that have laid off more employees or experienced a higher level of turnover are taxed at higher rates. (Tax rates are assigned differently to new employers and employers that owe past-due taxes.)

If you disagree with your tax rate for 2008, we can review it to make sure that it is correct. Send a written request to:

Experience Rating/Benefit Charging  
PO Box 9046  
Olympia, WA 98507-9046

Your request must be postmarked no later than 30 days from the mailing date on your tax-rate notice.



## Report a Fraud

Do you know an employer who is not paying taxes? Someone who is collecting unemployment, but not looking for work, or is working "under the table"?

Or someone who is collecting worker's comp, but not really injured? This is fraud - and it costs everyone.

Call 1.888.811.5974 to report fraud.

## District Tax Offices

Bellevue	425.649.4388
Bellingham	360.676.2070
Lynnwood	425.774.2380
Seattle North	206.706.3801
South Sound*	253.593.7380
Spokane	509.532.3090
Tri-Cities	509.735.0939
Vancouver	360.735.5050
Wenatchee	509.662.0448
Yakima	509.574.0137
Out of State	360.902.9620

\* South Sound serves businesses in South King, Pierce, Kitsap, Thurston, Mason, Lewis, Grays Harbor and North Pacific counties.



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